



## **21<sup>st</sup> Century Project Stakeholder Meeting Summary May/June 2006**

June 27, 2006

This recaps the 21<sup>st</sup> Century Project Stakeholder Meetings that were held May 31<sup>st</sup> and June 1<sup>st</sup>, 6<sup>th</sup> and 8<sup>th</sup>. There were 315 attendees representing 88 departments and campuses.

The May 31<sup>st</sup> meetings took place at the Employment Development Department building located at 722 Capitol Mall, 1<sup>st</sup> floor auditorium, and the June 1<sup>st</sup> meetings took place at the 21<sup>st</sup> Century facility located at 710 Riverpoint Court. We also held meetings in San Francisco at the Hiram Johnson Building, and in Los Angeles at the Junipero Serra State Building. We would like to thank department representatives who participated for their time and effort.

### **Departments/Campuses Represented:**

#### **Departments:**

Alcoholic Beverage Control, Agriculture Labor Relations Board, Aging, Air Resources Board, Alcohol & Drug Program, Arts Council, CalPERS, CalSTRS, CA Conservation Corps, Corrections and Rehabilitation, CA State Prison Los Angeles County, Deuel Vocational Institution, Institution for Men, Institution for Women, Ironwood State Prison, CA State Prison San Quentin, Child Support Services, CA Highway Patrol, Colorado River Board, Coastal Commission, Board of Governors Community Colleges, Conservation, Consumer Affairs, Corporations, CA Post Education Commission, Developmental Services, Developmental Services – Fairview, Motor Vehicles, Personnel Administration, Education – School for the Deaf in Riverside, Employment Development Department, Education, Emergency Services, Environmental Health Hazard Assessment, Board of Equalization, Fair Employment & Housing Commission, Fair Employment & Housing, Finance, Finance – CALSTARS, Finance – OTROS, Financial Institutions, Fish & Game, Food & Agriculture, Forestry, Franchise Tax Board, General Services, Health Services, Horse Racing Board, Housing & Community Development, Housing Finance Agency, Industrial Relations, Inspector General, Insurance, Integrated Waste Management Board, Judicial Council, Justice, Legislative Counsel Bureau, Lottery, Managed Health Care, Mental Health, Metropolitan State Hospital, Patton State Hospital, Military, Statewide Health Planning and Development, Parks & Recreation, Pesticide Regulation, Prison Industry Authority, Public Employment Relations Board, Public Utilities Commission, Real Estate, Rehabilitation, State Compensation Insurance Fund, State Controller's Office, Secretary of State, San Francisco Bay Conservation & Development

Commission, Social Services, State Personnel Board, Bureau of State Audits, State Coastal Conservancy, State Lands Commission, Systems Integration, Teacher Credentialing, Technology Services, Toxic Substances Control, Transportation, Treasurer's Office, Unemployment Insurance Appeal Board, Veterans Affairs, Water Resources, and Water Resources Control Board.

Campuses:

California State University, Chancellor's Office, CSU – Chico, CSU Fresno, San Diego State University, and San Francisco State University.

## **Agenda**

Introductions and opening remarks from project leadership

Project overview

Project schedule and rollout strategy

Project definition / business transformation vision

Change management

Technology update

Department impacts

Key challenges and future activities

Questions

## **Introductions**

The 21<sup>st</sup> Century Project executive management team introduced themselves.

Don Scheppmann – Chief of Business Operations

Terry Bridges – Chief of Technology Operations

Brian Wilson – Project Manager for BearingPoint

Camille Goodwin-Boyd – Organizational Change Management

## **Project Overview**

Speaker Don Scheppmann, Chief of Business Operations, shared his excitement regarding the project moving forward. He took the opportunity to explain the mechanics of how a project functions, realizing that most people just want to see results. He reiterated that the project is a collaborative effort with the Controller's Office having taken the lead, but confirmed that it is very clear that this system is for all of us.

This is a very exciting move for California and we are very pleased to offer some very significant options to you.

- New technology
- Improved and automated human resources/payroll business processes
- Enhanced access to information for owners

## **State Project Support**

The project is a collaborative effort of the State Controller's Office and the administration, and includes state central services and departments. The tremendous support for the project was identified all the way from the Department of Finance to the Governor and the Legislature, as well as many state departments, agencies, and key business partners.

### **Key business partners include:**

- Department of Personnel Administration
- Department of Finance (DOF)
- Department of Technology Services
- Bureau of State Audits
- California Public Employees' Retirement System
- State Personnel Board
- California State University Chancellor's Office
- Judicial Council

Don offered a special appreciation for the working relationship achieved with DOF throughout the procurement process. He shared his happiness at receiving the final funding approval and said that we are officially moving forward. Don stated, "This is where we want to go".

"Change" was discussed throughout the presentation, as it can be a very fearful yet exciting prospect to consider. Don confirmed we are going to continue to work with each of the departments every step of the way, but in return we are asking for your heightened involvement as we move forward. The project will now start working at the executive level, now that all the necessary approvals have been received.

Don discussed the changes that are to come and the need to start preparing for change. He also gave an overview of the project, stakeholders, system benefits and business functionality that will be included in the project initially.

### **Key points included:**

- Encouraging attendees to subscribe to project distribution lists and visit our Web site
- Participation in Blueprint workshops
- Supporting change that will occur within departments

We have a very aggressive timeline and plan on keeping all of our deadlines for deliverables. We will be able to meet those expectations only with all of your continued participation and support throughout each of the project phases.

## **Timeline**

(Note: The timeline has been updated to reflect current dates.)

- Project Prep (June – July 2006)
- Blueprint (August – December 2006)
- Realization (December – July 2007)

- Final Prep (August – November 2007)
- Wave Rollout and Stabilization (December 2007 – November 2009)

### **Blueprint Workshops**

The Blueprint workshops will be used to identify the business processes currently utilized within departments. These workshops will assist in business reengineering and developing techniques and ideas for implementing and converting to the new system.

Don asked that you go back to your departments and start looking at all of the processes you use today. The blueprinting workshops will allow you to represent your department's interests. We need to know how your department does business today in order to improve how we do business tomorrow.

With the new system our goal is to standardize and streamline business processes. We will be looking at rule changes and what policies and procedures can be changed.

### **What we are about**

The 21<sup>st</sup> Century team will be assisting the State to change the way we do business. Some of the areas covered today will be within the following:

- SAP HR/Payroll Implementation
- Business transformation
- New Technology
- Integration of systems
- Change Management

Additional updated information regarding Project Status and Timeline can be viewed on the 21<sup>st</sup> Century Web Site at - <http://www.21stcentury.ca.gov/>.

### **Business Transformation Vision/Change Management**

Speaker: Brian Wilson explained that methodology is very important to change management and what we see happening over the course of this project. There have been previous discussions about communication: how you communicate, what's the process for communication, and what is the vehicle for communication. We have a great Web site that is your direct link into this project. One of the things we encourage you to do is if you have questions about the project, if you have concerns about the project, if you hear things about the project that you would like us to clarify, please contact us at [21stcentury@sco.ca.gov](mailto:21stcentury@sco.ca.gov).

The more that we can answer questions and alleviate some of those concerns, the better off we will all be when we get around to testing the system, training on the system, and ultimately the delivery of the system.

The most important thing we want you to leave with from these meetings is that this project involves three core teams. We have a Functional team, a Technical team, and a Change Management team.

The Change Team is what you are all a part of. The Change Team is where you can make the biggest impact.

➤ People

Brian shared that people really drive business transformation. When he talked about people, he wanted it understood that he was not only referring to the project team, but to the industry as a whole. All expertise both functional and technical resides here within the State. The project team is made up of people who will actually be configuring and working with the system. The information we need, in order to design the system accurately and to build the system to work appropriately for each of your departments, is dependent on your involvement in our Blueprint workshops. Your commitment is reflected in your attendance today to assure we will have your support to accurately capture all of those processes and all the requirements in our design.

➤ Technology

Ultimately, this project is about replacing a legacy system and moving to a consolidated ERP (Enterprise Resource Planning) system that brings integration, accuracy and timeliness to communication and reporting that is required by your departments.

➤ Change Management

Brian was clear that most importantly this project is going to be about change. It is going to move you from what you currently do today, a processing-based environment, to a service delivery environment. The goal is for us to be able to provide information for making decisions regarding HR positions and payroll that will help you be more efficient.

## **Project Objectives**

Speaker: Don Scheppmann shared two unique changes. Aside from the Employee Self Service (ESS)/Management Self Service (MSS), we are creating a new position number process. Your current position numbers consist of an agency code, reporting unit, class code, and serial number, which will not be the position number in the SAP system. We are also creating an employee identification number instead of using an employee's social security number. The social security number will still be in the system, but will not be used to track/identify the employee. When an employee wants to access employee data, he or she will need the employee identification number to obtain that personal information.

➤ Position Management

- Automated, centralized Position Management system
- Standardizes and improves efficiency
- Accessible current and historical position information for budget and position reporting

Additional information can be found on the 21<sup>st</sup> Century System Features page available at <http://www.21stcentury.ca.gov/features/index.shtml>.

## **Technology**

Speaker: Terry Bridges recognized that in order to deploy the new system security, risks must be addressed. We have been working with the Department of Finance, State Information Security Officer, the Department of Technology Services, and the security officer for the State Controller's Office. There will be layers of security. Agencies will be responsible for monitoring access to their network and maintaining proper procedures for user administration. Employees must be granted security to access information and features.

The system must have extensive availability. We are looking at 24/7 (except for maintenance time) system access at home or in the office for employees. The 24/7 availability is not likely to apply for Human Resources, Accounting, Budgets, etc. where the system will have batch processing. Terry spoke about many of the features of the new system, for example:

- System Architecture
- Portal
- Visual Composer
- Business Intelligence
- Desktop Configurations

We understand that the system must be secure. There will be user IDs and password protection, encryption, authentication, firewalls, etc. that are built into the system.

State departments will be responsible for implementing the policies and procedures within their internal network in accordance with the security requirements of the new HR/Payroll system.

## **Department impacts**

The following subjects were discussed:

- Access by employees through ESS
- Manager/supervisor access to employee information
- Electronic workflow and approvals
- Tight security in systems
- Support changes that will occur within your department with the implementation of the new system
- Implementation
- Department preparation
- Department communication assistance
- Conversion and implementation assistance
- New processes in personnel/payroll

## **Key Challenges and Future Activities**

Speaker: Don Scheppmann closed the meeting by describing key challenges for the project, including improving and changing business practices, managing expectations, labor issues, and the aggressive implementation schedule.

The entire team will continue to focus on understanding and implementing these key areas of the project. Your continued support and involvement will assure success to meet our objectives.

- Provide the State of California with a progressive and comprehensive integrated Human Resources Management and Payroll System.
- Provide readily accessible data to support management decision-making within state processes.
- Provide a system that is convenient and easy for all stakeholders to use.
- Standardize interfaces.
- Effectively use COTS (commercial off-the-shelf) best business practices
- Produce accurate and timely payrolls.
- Maintain accurate employment history and benefit administration information.
- Provide electronic workflow processes.
- Modernize the Controller's Office's existing HR architecture and information infrastructure.
- Identify outdated rules and practices.

## **Questions and Answers**

The following are questions asked at the stakeholder meetings, or were provided to the project by attendees of those sessions via comment cards. We have tried to address as many questions as possible and provide the best answers. We will also be updating questions and answers on the 21<sup>st</sup> Century Project Web site (<http://www.21stcentury.ca.gov/faqs/index.shtml>) to provide up-to-date information on an ongoing basis.

If you have additional questions or comments please contact the project at [21stcentury@sco.ca.gov](mailto:21stcentury@sco.ca.gov). We value your input.

## **General**

How are you planning on rolling this out to the various state agencies?

Now that our System Integrator is selected, we will know more about how departments and employees will be prepared for change. We plan to assist departments in preparation, conversion, implementation, and change management. This will include strategies for communicating with employees and "marketing" the new system.

The System Integrator (SI) will be responsible for providing a plan to rollout/ implement the new system.

Factors we have considered while developing the marketing plan are:

- Provides a strategy that is specific to stakeholders
- Supports cultural change within departments
- Provides methods for identifying where change management is needed
- Provides communications and marketing strategies to address how business process re-engineering opportunities are implemented

What do we need to do in order to participate?

Our implementation strategy will include a department readiness assessment and a structured approach to prepare for a successful go-live date.

- Continue to attend stakeholder meetings
- Continue talking about the project at your department
- Continue to watch our Web site
- Continue to respond to surveys and inquiries
- Continue discussing “Change” with your employees as a positive opportunity

As this progresses, is it possible to have a master email notification of changes, or do we continue to check the Web site?

An email distribution list for general project updates is available. Instructions for signing up for the list are found at <http://www.21stcentury.ca.gov/communications/index.shtml>. Send an email to [21stcentury@sco.ca.gov](mailto:21stcentury@sco.ca.gov) with any questions about signing up for a distribution list.

Will you interface with the SPB online cert & exam system?

Certification and exams are not currently within the scope of the 21<sup>st</sup> Century Project.

What will the cost be at the Department level, i.e. Bandwidth, equipment replacement cycle, training costs?

The State standard set by the Department of General Services for equipment replacement cycles meet or exceed the SAP requirements. The minimum requirements for hardware, software, and bandwidth requirements can be found on our Web site at <http://www.21stcentury.ca.gov/change/index.shtml>.

The Controller’s Office will provide instructor lead training for Human Resources staff and Web based training for all other employees. We will also provide alternatives for those employees that do not have access to a computer.



We currently pay a fee for systems like CLAS and MIRS, how will those charges be addressed with this new system?

All of those costs have not yet been determined. CLAS is currently charged about \$6.50/year per employee with a cost of about \$13,000 per year for a department. Our assumption would be that this charge would go away, but we are working with DOF on how to deal with these charges and will get back with the departments.

## **Features**

Will there be special training for reports? Specifically for those going from MIRS?

In general various training methodologies for reports will be available based on the authorized level of data accessed.

## **Leave Accounting**

Will we be able to continue to use HRIS?

HRIS duplicates what the new SAP applications will provide. It is our expectation that consideration will be given to terminating support for this system. If it is continued, there will be a process in place for departments to access data in the new system.

## **Payroll**

Will this new system alter pay frequencies?

Pay frequencies are determined by bargaining units and government codes for non-represented employees. Some bargaining units have expressed an interest for moving from a semi-monthly to a bi-weekly pay frequency and we are working with them to accomplish this.

Will positive and/or negative payroll employees still exist?

Yes, employees will still be paid on a positive and negative basis.

## **Benefits**

CalPERS currently requires a SSN for the spouse. Will this still be required?

Yes, they will still be required.

## **Security**

Will social security numbers display on screens in the new system?

Social Security numbers will, to the extent possible, not be used or displayed in the new system. SSNs will not completely be eliminated from the new system because they are required for tax purposes.